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REORGANIZATION AND CONSOLIDATION OF GLOBAL FUNDS

SUMMARY

Prepared in response to Executive Board decisions 1991/17 and 1991/30 (E/ICEF/1991/15), the present document describes the evolution and current status of UNICEF global funds. The Executive Director recommends that all UNICEF global funds be reorganized and consolidated into four principal funds: the Interregional Fund for Programme Preparation, Promotion and Evaluation; regional funds; the Emergency Programme Fund; and the Programme Fund for the 1990s Goals. Proposals for the four global funds will be submitted to the Executive Board for approval on a biennial basis in a single document with the programme budget, and in the same cycle as the administrative and programme support budget cycles. The Executive Director further recommends that the proposed consolidation take effect from the biennium 1994-1995 and proposes transitional arrangements for the biennium 1992-1993.

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CONTENTS

		Paragraphs	Page
INTRODUCTION		1 - 2	3
I.	CURRENT STATUS OF GLOBAL FUNDS	3 - 4	3
II.	CONTEXT AND EVOLUTION OF GLOBAL FUNDS	5 - 15	4
III.	REORGANIZATION AND COORDINATION	16 - 27	6
	A. Proposed funds and their objectives	16 - 24	6
	B. Operational features of global funds	25	9
	C. Criteria for new global funds	26	9
	D. Transitional arrangements	27	10
IV.	RECOMMENDATIONS	28 - 29	10

INTRODUCTION

1. At its 1991 regular session, the Executive Board adopted two decisions (decisions 1991/17 and 1991/30 (E/ICEF/1991/15)) regarding the global and interregional programmes and other special-purpose funds, requesting, inter alia, proposals for merger or consolidation of funds with similar objectives or characteristics, a comprehensive overview of UNICEF requirements and activities to be funded by these funds, specific criteria for the establishment of posts from these funds and criteria for the establishment of new global, interregional or special-purpose funds.

2. The administrative and budgetary aspects of the funds have been examined by a Reference Group consisting of nine Executive Board delegates and are reflected in the Executive Director's recommendations in the report on "The structure and format of budget documents: proposed format for global funds programme budgets" (E/ICEF/1992/AB/L.1). The present document focuses on the reorganization and consolidation of global funds and transitional arrangements until the end of 1993, when the funds will be in the same cycle as the administrative and programme support budget for the 1994-1995 biennium.

I. CURRENT STATUS OF GLOBAL FUNDS

3. The term "global funds" includes global programme support funds, global programme reserves and interregional and regional programmes. An information note on global reserves and interregional programmes prepared for the 1991 regular session of the Executive Board (E/ICEF/1991/P/L.43) provided a list of the following 17 global funds currently in existence:

(a) Programme support funds:

(i) Interregional Fund for Programme Preparation, Promotion and Evaluation (IFPPE);

(ii) Regional support for Programme preparation, promotion and evaluation (regional IFPPE);

(b) Programme reserves:

(i) Emergency Reserve Fund (ERF);

(ii) Mortality Reduction Reserve (MRR);

(iii) Bamako Initiative;

(iv) Basic Education Reserve;

(c) Interregional programmes:

(i) Essential drugs;

(ii) Food and nutrition surveillance;

(iii) Child monitoring;

(iv) Dracunculiasis (guinea worm) eradication;

(v) Acquired immune deficiency syndrome (AIDS);

(vi) Nutrition;

(vii) Global communication;

(viii) Environment;

(ix) Children's Vaccine Initiative;

(x) Iodine deficiency disorders (IDD);

(xi) Children in especially difficult circumstances.

4. Of the above-mentioned global funds, all are continuing reserves or programmes except for the interregional nutrition programme, which existed only for two years and expired in 1991, as its purpose was to introduce the new nutrition strategy approved by the Executive Board in 1989.

II. CONTEXT AND EVOLUTION OF GLOBAL FUNDS

5. UNICEF was founded in 1946 in response to the needs of children in war-ravaged Europe and Japan. Its activities were extended to developing countries in the late 1940s and the 1950s. During that period, UNICEF emphasized the provision of supplies and of food and milk technology.

6. In the 1950s and 1960s, the concept and practice of national planning was adopted by many newly independent countries and the UNICEF response to their needs also changed with the introduction of country programme planning based on projects envisaged in national development plans. In order to avoid having to prepare numerous separate programme submissions to the Executive Board for all those countries, the Interregional Fund for Programme Preparation (IFP) was established by the Executive Board in 1962.

7. However, by 1970 it was recognized that in order to meet children's needs effectively, UNICEF programmes of cooperation needed to be multisectoral, not only because of the diverse needs of children, but also because of the positive impact of different sectoral interventions that are focused and interrelated. It was also recognized that meeting the basic needs of

populations, especially of the poor, required special focus and programming. This realization led to the development in the 1970s of the concept of the basic services strategy, which was endorsed by the General Assembly in 1975.

8. The basic services strategy involves a programme approach and the provision of basic child health, education, nutrition and water supply and sanitation services in a national framework, using appropriate technology and community participation as fundamental programme approaches. The role of women is recognized as a significant element in the strategy, as is the concept of working at subnational levels.

9. The adoption of the strategy entailed not only fitting supplies and equipment to meet national needs, but also strengthening countries' knowledge bases for efficient and effective operational support. There was networking to share knowledge gained and to "learn through doing", thus strengthening headquarters and regional knowledge bases for effective policy development and operational support. All these activities were supported by IFP, which also provided support to higher-income countries without specific country programme allocations.

10. In the early 1980s, the basic services strategy evolved further into "national and universal coverage" of programme delivery services, which was the most effective means of programme delivery and the best insurance of reaching the disadvantaged and unreached. Advocacy, policy dialogue and social mobilization were found to be necessary prerequisites if the programmes were to reach populations beyond those in selected areas. The institutionalization of learning from experience through evaluations was also found to be essential, which led to the incorporation of programme promotion and evaluation into IFP; the fund was renamed IFPPE in 1984. In 1991, the Executive Board approved a proposal to separate the regional elements of IFPPE.

11. In 1983, the Executive Board endorsed the concept of child survival and development (CSD) as the principal programme thrust of UNICEF, with the reduction of infant and child mortality as its principal objectives. While the CSD "package" contained seven principal low-cost, high-impact elements, immunization and oral rehydration therapy (ORT) became its most prominent and advanced programme thrusts.

12. Because UNICEF programmes of cooperation are prepared for periods of up to four or five years and are adjusted annually or through mid-term reviews with the approval of Governments, national initiatives in pursuit of common goals can often be delayed or not implemented at all if outside support is unavailable. In order to seize opportunities as they emerged within the approved programme framework and also to serve as a catalyst for actions to accelerate the programme process, the Infant Mortality Reduction (IMR) Reserve was established in 1983 to provide small amounts of additional or interim support for activities directly related to the reduction of infant mortality. The IMR Reserve was broadened in 1985 to include concerns for children five

years of age and under and renamed the Under-Five Mortality Reduction (U5MR) Reserve.

13. As described in document E/ICEF/1992/AB/L.1, the purpose of the U5MR Reserve was not just to supplement the country programme, but also to provide short-term support for new priorities, particularly for countries in the middle of four- or five-year programmes that could not easily adopt new priorities within the limits of their country programme ceilings. The IMR (and later U5MR) Reserve played a major role in accelerating country actions in support of immunization, ORT and other elements of UNICEF-assisted child survival programmes. Without the catalytic support of the IMR Reserve and the U5MR Reserve, it is doubtful that universal childhood immunization could have been achieved in 1990. As UNICEF increased its focus on women, the mandate of the U5MR Reserve was broadened in 1991 to include maternal mortality reduction and renamed MRR.

14. In the late 1980s, in the light of developments such as the introduction and adoption of a series of health goals by the World Health Assembly, the Bamako Initiative, the AIDS pandemic, the new opportunities provided by the World Conference on Education for All and the rising number of children in especially difficult circumstances, the Executive Board approved a number of interregional programmes and reserves (see para. 3 above) to respond to those situations and to pay adequate attention to the pursuit of goals at global, regional and country levels, from policy development to field support.

15. ERF was established in 1971 to respond to the needs of children and women affected by natural disasters, epidemics and man-made crises. The growing number, complexity and magnitude of emergencies around the world have led UNICEF to play an increasingly critical role in mobilizing resources for victims of drought, famines, typhoons, earthquakes, situations of armed conflict and wars, in collaboration with other United Nations and international agencies and non-governmental organizations. Although the ERF allocation was $1 million when the fund was first established in 1971, it was raised to $3 million in 1980, $4 million in 1990 and $7 million in 1991 in order to respond adequately to the increasing number of natural and man-made crises around the world. Allocations from ERF are made by the Executive Director and his designated officials according to the level of allocations and the fund is later partially replenished by donors. Thus, the fund was able to provide $11.7 million in 1991, $4.7 million more than the initial level.

III. REORGANIZATION AND COORDINATION

A. Proposed funds and their objectives

16. With progress in child survival efforts in recent years, especially in the reduction of infant and child mortality, the question of sustainability of these gains and the need to focus on a coherent set of goals and strategies encompassing child survival, protection and development have emerged as major

concerns. The goals and strategies for children in the 1990s were thus approved by the Executive Board in 1989. The international community articulated similar goals in different forums such as the World Conference on Education for All and the World Summit for Children and by adopting and ratifying the Convention on the Rights of the Child. The major challenge for the 1990s is how to promote effectively the programme actions and strategies to adapt the global goals to national circumstances and how to support the implementation of the goals in each country. In the light of evolving needs, a consolidation of the array of existing funds is necessary in order to direct resources to supporting the main programme thrusts of the 1990s, including programme preparation and evaluation. Therefore, the Executive Director proposes that all global funds be reorganized and consolidated as follows:

(a) IFPPE;

(b) Regional funds;

(c) Emergency Programme Fund (EPF);

(d) Programme Fund for the 1990s Goals (PF90s).

17. The global funds will have the following general objectives:

(a) To provide technical and material support to countries for the introduction and acceleration of actions in priority areas of UNICEF programmes of cooperation in the middle of a normal five-year programme cycle, and to build capacities for sustainable programmes;

(b) To provide technical and material support from headquarters and regional offices to countries in the areas of programme development, implementation and evaluation;

(c) To promote awareness of children's needs and problems at regional and international levels; to articulate goals, priorities, policies and strategies for meeting children's needs; and to help mobilize support and resources for programmes for children and women;

(d) To support inter-institutional cooperation and collaboration, including networking and experience exchanges, at international, regional and intercountry levels. (See document E/ICEF/1992/AB/L.1, paras. 9-13, for a more complete discussion of the objectives of global funds.)

18. While the scope and function of IFPPE and EPF will remain essentially unchanged, the regional funds will consolidate all programmes managed at the regional level, including regional funds for programme preparation, promotion and evaluation. They will be consolidated for each region as well as for all six regional proposals when submitted to the Executive Board for approval or reporting.

19. PF90s will consolidate all the programme reserves and interregional programmes into one fund, with the following sectors:

(a) Health (incorporating activities previously covered by MRR and interregional programmes for the Bamako Initiative, essential drugs, AIDS, dracunculiasis eradication and the Children's Vaccine Initiative, but now also including healthy lifestyles for youth);

(b) Nutrition (incorporating programmes for IDD and food and nutrition surveillance, but now also including activities on other micronutrients and the reduction of severe and moderate malnutrition);

(c) Water supply and sanitation (new);

(d) Education;

(e) Children in especially difficult circumstances;

(f) Women (new);

(g) Child monitoring;

(h) Environment;

(i) Global communications support.

20. The above nine sectors in PF90s will have separate sub-allocations that will be transferable to other subsectors or sectors, within established rules. They will all contribute individually and collectively to the goals and strategies for the 1990s endorsed by the Executive Board.

21. The consolidation covers all existing reserves and interregional programmes. The proposed new sectors are for nutrition, water supply and sanitation and women. The new nutrition sector will not only consolidate the existing interregional programmes on IDD and food and nutrition surveillance, but also provide support to combat other micronutrient deficiencies, including vitamin A and iron-deficiency anaemia; the protection, promotion and support of breast-feeding; and measures to reduce severe and moderate malnutrition, based essentially on the "triple-A" (assessment, analysis, action) approach.

22. The new sectors for water supply and sanitation and women have been proposed because they are principal areas where strengthened support will contribute to the balanced growth of activities in support of children in the 1990s.

23. The Vaccine Independence Initiative is not an interregional programme and will function as a revolving fund for vaccines, as originally envisaged.

24. It is estimated that, on average, 25 per cent of global funds will be spent at headquarters, while 75 per cent will be allocated to field

programmes. Headquarters expenditure is expected to be about 3 or 4 per cent of total programme expenditure.

B. Operational features of global funds

25. The operational features of global funds, including the programme budget formats to be used, are described in detail in document E/ICEF/1992/AB/L.1. The significant features of the new operational arrangements are described below:

(a) All four global funds will be presented to the Executive Board in a single document;

(b) They will be submitted biennially in line with the administrative and programme support budget cycle, starting with the biennium 1994-1995. The first consolidated submission will be submitted to the Executive Board at its 1993 regular session;

(c) The budget breakdowns will be provided, as outlined in document E/ICEF/1992/AB/L.1;

(d) The need for the establishment of staff posts will be mentioned in programme budgets, but scrutinized through the usual established channels (the Budget Planning and Review Committee and the Advisory Committee on Administrative and Budgetary Questions) before submission to the Board for approval;

(e) The reports on the use of global funds will be submitted biannually to the Executive Board, including expenditures against the budget originally approved while explaining the reasons for the variance;

(f) Global funds will be managed through a high-level committee of senior UNICEF staff similar to the current Child Survival and Development Committee.

C. Criteria for new global funds

26. It is not foreseen that any new global funds will be needed during the 1990s, since the proposed funds should be able to cover all possible unforeseen initiatives and activities in support of the goals and strategies for the 1990s. However, if any new funds are required, they will be programmed as a part of IFPPE, regional funds or PF90s and submitted to the Executive Board for approval.

D. Transitional arrangements

27. Until the new arrangements come fully into force in 1994, the following transitional arrangements are proposed:

(a) A programme proposal will be submitted to the 1992 regular Board session for new sectors and for the PF90s sectors that expired in 1991. The proposal will be for bridging operations in 1992 and 1993 and will be contained in a single document;

(b) At the 1993 regular Board session, a single proposal will be submitted for all funds.

IV. RECOMMENDATIONS

28. The Executive Director recommends that:

(a) The global funds be reorganized and consolidated into the following four funds:

(i) IFPPE;

(ii) Regional funds;

(iii) EPF;

(iv) PF90s (covering health, nutrition, water supply and sanitation, education, children in especially difficult circumstances, women, child monitoring, environment and communications);

(b) The reorganized structure come fully into force from 1994;

(c) A single proposal for global funds be submitted to the Executive Board at its 1993 regular session for the biennium 1994-1995, in line with the administrative and programme support budget.

29. The Executive Director further recommends that transitional arrangements be made for 1992 and 1993, including the approval of a proposal for some sectors whose support funds have expired or will expire before 1993.